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BEFORE THE  
Federal Communications Commission

WASHINGTON, D.C. 20554

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APR 12 1996

In the Matter of )

Federal-State Joint Board on )  
Universal Service )

CC Docket No. 96-45

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**COMMENTS OF THE  
INTERNATIONAL COMMUNICATIONS ASSOCIATION**

The International Communications Association ("ICA")<sup>1/</sup>, by its attorney, hereby submits its initial comments in response to the Commission's Notice of Proposed Rulemaking and Order Establishing Joint Board ("Notice") in the above-captioned matter.<sup>2/</sup>

The Commission's Notice is in response to the Congressional directives laid out in Section 254 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("1996

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1/ ICA is the largest association of telecommunications users in the United States, with more than 500 members who spend at least \$1 million per year upon acquisitions of services and equipment. Because of ICA members' increasing reliance on public telecommunications, ICA members' expenditures on telecommunications are growing rapidly. Recent estimates indicate ICA members spend approximately \$23 billion on telecommunications services and equipment. As heavy users of telecommunications services, ICA members have a special interest in the Commission's deliberations in this proceeding.

2/ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Notice of Proposed Rulemaking and Order Establishing Joint Board, 61 Fed. Reg. 10499 (March 14, 1996), FCC 96-93 (rel. March 8, 1996).

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Telecom Act’').<sup>3/</sup> The Notice proposes to: (1) define the nature of telecommunications services that will be supported by the proposed Federal universal service support mechanisms; (2) define the nature of those support mechanisms; and (3) seek recommended changes to existing Commission regulations in order to better facilitate the implementation of the Congress’ universal service directives. In these Comments, ICA provides the views of the business user community on a limited number of questions posed by the Commission in its Notice. ICA will provide input on a broader array of the Notice’s questions in its Reply Comments after reviewing the relevant comments on those matters that are presented to the Commission today.

#### Quality Services

The Notice<sup>4/</sup> solicits comment on the concept of “quality services” and input to help regulators determine if quality services are delivered to customers of telecommunications services. ICA members increasingly rely upon telecommunications applications in their day-to-day operations in order to be more competitive in their business markets.

While the quality of telecommunications services has always been a major interest of the business user community, the entry of alternative forms of pricing regulation to replace rate-of-return regulation caused both business and residential customers of non-competitive telecommunications services to be concerned that some non-competitive telecommunications carriers would be tempted to let service quality slide for monopoly services in order to benefit earnings. With the Commission’s adoption of price cap regulation for local exchange carriers almost six years ago, captive

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<sup>3/</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (to be codified at 47 U.S.C. §§ 151 et seq.).

<sup>4/</sup> Notice at Par. 4.

telecommunications customers have paid even closer attention to service quality issues. As recently as yesterday, state public service commissions have raised concerns about the deterioration of local telephone service quality.<sup>5/</sup>

Clearly, some type of performance-based measurements are necessary to ensure that the customers, both residential and business, of telecommunications services provided by non-competitive carriers are provided with quality services. These performance-based measurements should be of equal applicability to residential and business customers, voice and data services, and switched and special access lines. A number of states have attempted to deal with some forms of service quality measurements. The Commission's rules should include:

- (1) Service Availability. Business user network planners typically insist that the piece parts of their internal networks be designed to be available in excess of 99.99% of the time;
- (2) Errors per second. Data transmission quality induces two separate dimensions, both of which involve measures of errors per second -- bursty errors per second and heavily errored seconds. All too often, the service quality measurements of regulators have focused on analog services. The service quality measurements need to be responsive to both analog and digital services.
- (3) Mean time to restore. Outages of high-speed data services may cost users, small and large alike, hundreds or thousands of dollars per hour. Prompt repair is critical. Non-competitive

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<sup>5/</sup> Washington Utilities and Transportation Commission (WUTC), UT-950200, 15th Supplemental Order (rel. April 11, 1996). In its strongly ordered order, the WUTC admonished US West for a dramatic deterioration in service quality, and it ordered the company to take certain steps that were intended to encourage US West to improve its service quality performance.

carriers should be required to specify how long it takes, on average, to get each type of line back in service.

- (4) Service disruption. Some business applications (primarily data and video applications) impose stringent requirements on the technical characteristics of the lines used; these lines are typically referred to as “conditioned lines.” Routine maintenance and reconfiguration of lines by local exchange carriers (“LECs”) frequently result in the substitution of unconditioned lines, wither interruption or severely degrading the service. When the customer’s need for conditioned lines is made known to the LEC, the LEC should provide advance notice of its plans to reconfigure or substitute lines, which would allow the customer to take steps necessary to minimize the effects of the disruption.

The Commission should be applauded for its effort to seek comments in this area and ICA looks forward to working with both the Commission and the Joint Board to facilitate the adoption of a workable set of performance-based measurements of service quality.

#### Who Should Contribute

The Commission’s Notice<sup>6/</sup> seeks input on whether other providers of telecommunications should be required to contribute to the universal service fund. As the Commission clearly understands, the internal networks of business users are not contemplated by the 1996 Telecom Act since their networks are not typically offered to the public and do not fall under the definition of “telecommunications service.” ICA stands ready to work with the Commission in perfecting its rules in this area if it decides to cover non-carrier providers of telecommunications services. If the

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<sup>6/</sup> Notice at Par.119.

Commission does not go beyond the narrow Congressional universal service objectives, it is unlikely that it will need to venture into this area.


Who Should Administer.

The Notice<sup>7/</sup> seeks comment on the best way to administer the universal service funding mechanisms. ICA believes that the most likely way of ensuring that the administration of the fund is fair, consistent, and efficient is through a non-governmental administrator that is not owned or affiliated with any entities that are contributors to the fund, recipients of the fund, or beneficiaries of additional universal service support mechanisms pursuant to Section 254 of the 1996 Telecom Act. Groups like the National Exchange Carrier Association, Inc. ("NECA"), because of their telephone company membership, will not be appropriate administrators of the fund. The 1996 Telecom Act firmly establishes a pro-competitive policy for one-sixth of this nation's economy -- the telecommunications industry. In order to ensure that the administrator of the fund free from influence by participants, it must be free of any connection.

Respectfully Submitted,

INTERNATIONAL COMMUNICATIONS ASSOCIATION

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April 12, 1996

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<sup>7/</sup> Notice at Par.127.

## **CERTIFICATE OF SERVICE**

I, Patricia S. Nolan, hereby certify that a true and correct copy of the foregoing "Comments of the International Communications Association" were mailed, postage prepaid, this 12th day of April 1996, to the following:

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